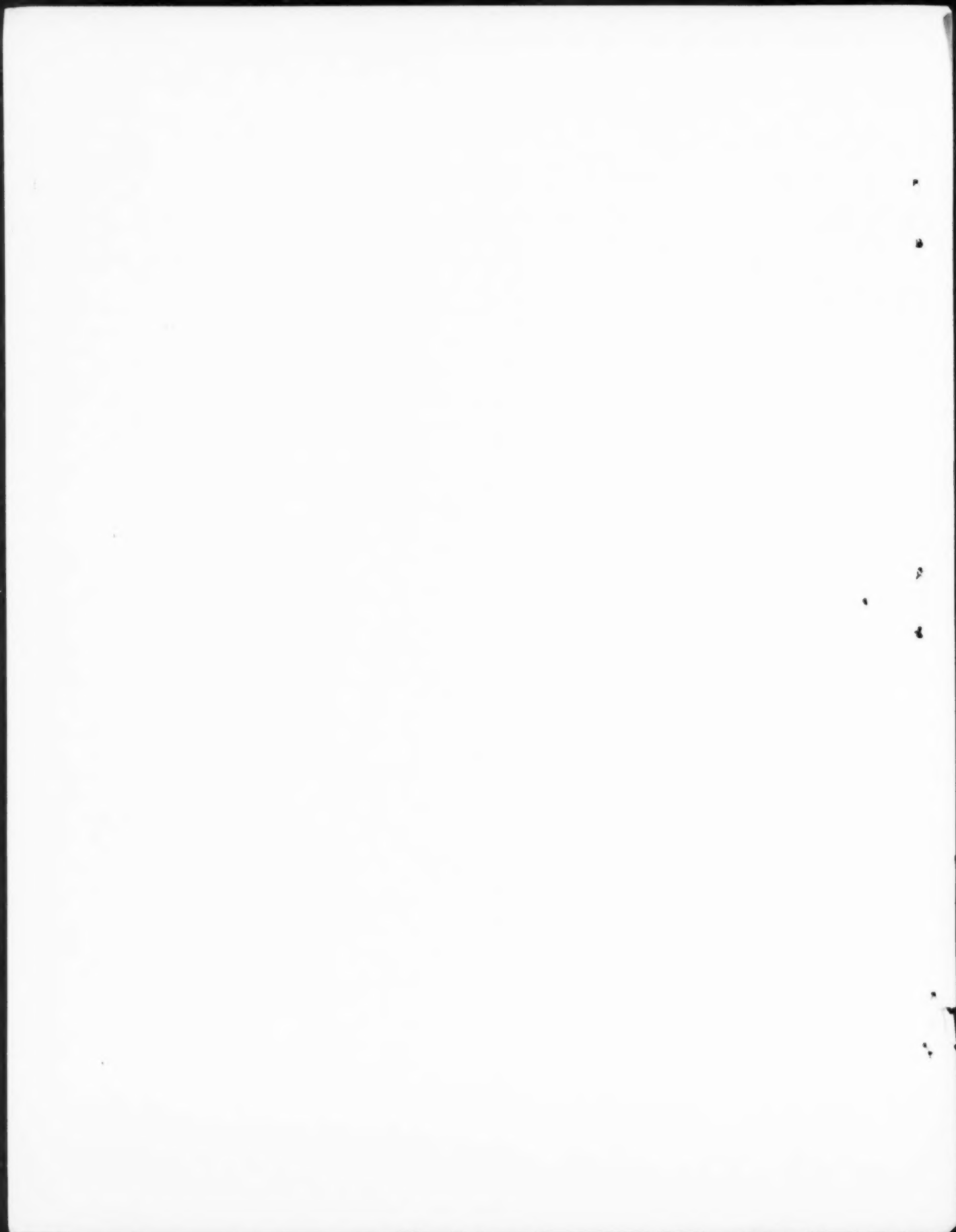


PROCEEDINGS
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ORGANIZATION AS A SEPARATE BRANCH
OF MANAGEMENT

An address at the Annual Meeting
of the Academy of Management
at the Columbia Club of Columbia University
December 30, 1949

By Alvin Brown

Of a subject talked about as much as organization, it seems strange to have to plead that it is a subject. But I think that plea needs to be made. I fear we assume too readily that what has a name, has therefore a being. This name, organization, implies a body of knowledge. Where is that body of knowledge? Where does it exist? Has it a being? I have to doubt it. Presently I shall try to satisfy you of my reasons for that doubt.

Lest you think while I am doing so, however, that my anxiety is about mere form, let me assure you it is not. Classification for its own sake can be a delightful pastime, but not one to be intruded upon others. To classify is not my purpose. My concern is about lack of classification as a cause of lack of understanding. I am concerned about what we lose because of that lack of understanding. What we lose seems sufficiently deplorable to be worth your thought. Of this also I shall try to satisfy you.

In talking about organization, it will be impossible to avoid talking also about management. I hope I shall do so with restraint, because I do not profess any insight into management as a body of knowledge. In speaking of management in relation to organization, I do not know, indeed, whether I speak of a broader but inclusive subject, or of a different subject. I do not know whether I turn to a wider field of knowledge, or to a separate one. And this lack of understanding seems plainly to come from lack of classification or lack of definition.

Perhaps this barrier to my understanding will be plainer by an example from another field of knowledge.

Philosophy as an example.--For a long time I had almost no concept of the scope of philosophy. Then, in my rambling reading, I ran into accredited philosophers, they never seemed to speak of the same things. It was as though one man were to say, "I am very fond of curry"; and another man to reply, "Oh, but I should think you would prefer a cold shower."

Then, in a moment of inspiration, I consulted the encyclopedia, and the puzzle cleared up measurably. I read first of all that "philosophy is a general term whose meaning and scope have varied very considerably" through the ages. Then I found that philosophy comprises psychology, epistemology, and ontology; not to mention logic, ethics, and aesthetics. I found, in other words, that philosophy is a congeries of subjects. Doubtless these subjects are related. Doubtless there is some synthesizing concept that binds them together as philosophy. Nevertheless, I had been unable to conceive philosophy until I knew its subdivisions. It was only by conceiving its parts--by seeing them as separate branches--that I gained a key to the scope of philosophy itself.

Concept of management.--When I turn to management, I have the same difficulty, without, alas, the same ready source of enlightenment.

The encyclopedia is a great work. I am in debt to it in many ways. When my children were young, the encyclopedia solved many a problem for me. But suppose one of my sons had asked me, "What does management mean? Doubtless, with half a thought, I would have said, Son, go look it up in the encyclopedia. And if he had? He would have found two kinds of management: scientific and farm. He would have learned the importance of using the right size of shovel and the need of rotating crops.

Well, certainly, these things are important; and certainly also I exaggerate somewhat. And I apologize to Mr. Taylor's memory if it is necessary. But, nevertheless, it is true that the encyclopedia gives no answer to anybody who wants to know about industrial management.

If I go to The Management Index of the American Management Association, I see that management functions comprise personnel, office management, finance, production, marketing, packaging, and insurance. I ask myself if this list of functions is a characteristic action of a thing, and therefore not a separate thing. So I conclude that these functions are intended to define the scope of management.

When I turn to the catalogue of a school of business, I find a department of management and industrial relations. This department offers, among others, courses in planning factory layout and equipment, techniques of time and motion study and work simplification, purchasing and storekeeping, and analysis and interpretation of business costs. Since I have never heard these subjects ascribed to industrial relations, I must conclude that they are regarded as part of the concept of management. On the other hand, there is a separate department for marketing, which presumably excludes that subject from the scope of management.

Then again, the author of a recent article on the meaning of management* tells me the subject should be divided into seven phases: economic, administrative, engineering, anatomical, physiological, psychological, and sociological. Cost accounting, for example, belongs to the administrative phase; incentive plans, to the economic phase.

* E. H. Anderson, Harvard Business Review, v.XXVII, pp. 678-692

From these conspectuses, one ought to believe that management comprehends a wide range of subject. Were it not for some important omissions,

one ought to believe that it comprises the entire range of knowledge employed in industrial enterprise. In either case, one is left with the feeling that the only way to know the scope of management is to know all its subdivisions.

If I go to the dictionary, I get no more light, because management, as a word, seems to have at least two meanings. It can refer to the means of accomplishing an end: the things done or provided for by a manager. In that sense, it may well include such things as production and marketing, for those are things that a manager does or provides for.

On the other hand, the word can refer to the art or faculty of managing. In that sense, it could be a concept quite apart from the things that are done by a manager. This concept would exclude what may be called the objective branches of industrial knowledge: the specialized subjects such as engineering, production, marketing, and finance. It would regard management as something outside these objective aims; perhaps as the tactic by which they are sought, or the influence that procures them. My words halt when I try to express this distinction, but I am sure the concept is valid. From this viewpoint, management would, I think, imply much the same as what we mean by leadership.

To me, this second concept of management has a strong appeal. I am simply unable to comprehend a subject that embraces everything. I am unable to grasp a subject if it can include both the book written by my friend, Professor Schell, and a book about, say, the principles of accounting. To regard management as the omnibus of all industrial knowledge is, for me at least, to deprive it of meaning.

Value of classification.--Please do not think I am trying to add to the knowledge of management. Quite the contrary. I am only asking questions about it in a forum where such questions may hope to be answered. I am not

bringing coals to Newcastle; I have come to Newcastle for coals. And I do so because of the plight in which I find my own especial object of interest, which is organization.

Some people, I suppose, might scout the usefulness of classification. They might, I suppose, dismiss my questions as a needless search for fine distinctions. I am sure you will not do so. I am sure you will agree that definition is the first step to understanding. As with philosophy, so with management, I do not see how it can be understood unless it is defined.

Organization and management.--But, as I said, I do not ask the question for its own sake. I ask it because of its bearing upon the concept of organization. I ask it because the existence of organization, as something more than a name, seems to depend upon the answer.

How often in industrial literature do we find the term, organization and management! How often do we find them, that is, linked together as though they were reciprocal or complementary ideas. In industrial literature, the association is as ubiquitous as that of ham and eggs.

It may not be too wide off my subject to glance at the union of ham and eggs. They are often said to have an affinity. I should be inclined to doubt that, if it refers to their natures. As I see it, the alliance of ham and eggs, if not a marriage of mere convenience, is at least one that is distinguished by its outward felicity rather than by any inward communion. Perhaps I make my point sufficiently clear if I say that the two associates are quite different things--and that some people may prefer to have them separately,

The union of organization and management in industrial literature, on the contrary, seems to deny them any separate entity. It seems to say

that organization is management and management is organization. If it does not go quite that far, it implies at least that the two subjects are inseparable: that they were not put together, like ham and eggs, but that they both came out of the same egg to begin with.

Thus, in the titles of texts you find the two words joined as often as they are separate. Nor does their separate use as titles indicate separation of subject. A book called management will, likely enough, treat of organization. A book called organization will often treat of many things that seem little related to the definition of the word.

The collected papers of Mary Parker Follett* give a perfect example of this fusion. The volume is called "Dynamic Administration." Miss Parker herself is quoted as saying, "I am studying business management." And the writer of the foreward says she searched for "the true principles of organization."

Whether there is a causal relationship with literature, I do not know; but college courses show the same coalition. I have looked at the catalogues of seven business schools. Two offer courses called organization and management. Two, and probably three, offer courses named management that actually include organization. One has a course named organization that includes management. The last uses neither title, but deals with both in a course called administrative practices.

Thus, it is plain enough that organization and management are mingled, both in writing and in teaching. Is this a natural fusion, or is it confusion? I think the question is important. I think it is important to the understanding of both subjects. And the answer should depend upon whether we can define the nature and scope of organization.

*Mary Parker Follett, Dynamic Administration. N.Y.: Harper & Bros.,

The word, organization.---This brings us face to face with the doubt I expressed at the outset. Organization is a name, but is it a concept? Does it have a meaning with relation to industrial enterprise?

From the encyclopedia we get no more help in trying to answer this question than we did in the case of management. The only listing in its index is "Organization (of labour): see Trade Unions." All that we learn from that is that organization, whatever it be, is not the exclusive property of industry. Beyond this reference to trade unions, the encyclopedia is mute.

If we go to the dictionary, we get too much help. The meaning of the word is too broad to solve the problem. In the first place, it has both a dynamic and a static meaning: it can mean either the act of organizing or the state of being organized. This double meaning leaves us often to wonder, when we hear the word used, whether the reference is to organization as a process or to organization as a condition. It is the same as if, when speaking of education, you were not sure whether it meant the principles and practice of teaching and learning or the literate level of the population at large.

I sometimes wonder if this was not the trap that snared those who suppose that knowledge of organization can be gained by the case method. This method assumes, you know, that, to do the right thing, all you have to know is what other men do. Thus, if other men, in their enterprises, have a department of statistics, you should have one too. And if other enterprises do not have a department of organization, you should not have one either. This notion of organization is limited, in other words, to existing patterns; to organization as a condition rather than as a process. It encourages men to be content with what is, and not to spend their time seeking what might

be better. I am sure I say this without offense to anyone present, because the proper case-method man would be abroad observing how managers manage rather than here seeking how managers might manage better.

Well, you will not be surprised when I say that organization can be a useful concept to industrial enterprise only if it is regarded as a process. In the words of the dictionary, it is the process of arranging or constituting in interdependent parts, each having a special function or relation with respect to the whole.

But the trouble with this definition is that the process can be applied in many directions. We can speak of organizing productive processes, in the sense of designing the layout of equipment and the flow of work. We can speak of organizing our work, in the sense of scheduling and systematizing it. All these uses of the word are appropriate, and all of them are useful to industry. I suspect they are sometimes intended by people who use the term, organization and management.

Nevertheless, most men, in speaking of industrial organization, are probably thinking of the means of concerting human effort. And even so limited, we still need two meanings: one to refer to the process; the other to the body of knowledge upon which the process relies.

Organization of human effort.—If there is any difficulty about limiting this subject to the concert of human effort, I suggest it is a difficulty with words and not with ideas. Certainly the layout of equipment and the flow of work are a subject—a concept—distinct from the integration of men and their duties. What more evidence of this do we need than that men can be expert in one of these fields with no particular need of knowledge in the other? Only in using the same kind of systematic approach have they any likeness. They are no more to be related because they both organize than

two activities would be related because they both compute.

This means, of course, that the single word, organization, is a defective title when we are only talking about organizing human effort. I wish there were a more explicit single word for it. Perhaps someone, some day, will apply such a title, and, what is more necessary, gain acceptance of its use. Failing that, I can name it only by definition. Restricting the dictionary definition, it would be the process of arranging men as parts of an enterprise, allotting their functions, and defining their relations. It seems the same thing to say that, in this use, organization would define the responsibilities of members of enterprise and the relations among them.

To define the responsibilities of the members of an enterprise is, of course, to apportion among them all the things that must be done to realize the aims of the enterprise. The act applies intelligence and forethought to this apportionment instead of leaving it to chance or individual choice. Intelligence relies upon the principles and experience that can be laid up in a body of knowledge. The result of apportionment is a structure of jobs. The result, indeed, is the structure of the enterprise, since an enterprise without an apportionment of duties would be a formless thing, difficult to imagine.

But to define individual jobs is only half the process. The jobs alone are no more than the unassembled parts of a machine. They must be placed in relationship to each other. The persons who will perform the jobs will have relations with each other. To organize this human effort, we just define these relations. This definition must be a part of the concept of organization, and a part of its body of knowledge.

In dealing with these relationships, the case method is especially inadequate. Given the time, it is not too difficult to find out what

departments existing enterprises have, and what the individual responsibilities are. These are reasonably objective things. Relationships are much less tangible. I doubt whether the case student can expose the relationships in an enterprise, even if this were to tell him what they ought to be.

That, however, is a digression. We were looking for a subject. We were looking to see whether organization--of human effort--is a concept as well as a name. Have we not now identified one? When we say that organization defines jobs and the relations among them, do we not express the concept of a process and of a related body of knowledge, that is distinct from all other branches of industrial knowledge? Even though it may not now be a subject, is it not possible for it to be one?

A limited concept.--I think industrial enterprise--or any human enterprise, for that matter--has three concerns. One, certainly, is personnel. Another is administration, by which I mean all the things that have to be done to carry out the purpose of the enterprise. The third is organization. In the sense in which I have defined it--the sense, indeed, in which, as a need, it makes itself manifest to anyone who studies enterprise--it is a subject, an activity, a science, separate and apart from both personnel and administration.

It is true that both personnel and administration can be divided into other subjects, while organization, though it has two parts, is single and compact in itself. It may be, then, that I have unduly narrowed the classification of the other subjects. With that question I am not greatly concerned. I gladly resign it to others more qualified than I. My only concern is to show that organization is a separate and unique subject.

Personnel comprises, of course, such subjects as employee selection, the terms of employment, incentives, employee relations, and working conditions.

Most of these activities relate to employees in the aggregate! Organization decides what human effort is needed: the personnel activities supply and maintain it. They differ as much in their functions, the one from the other, as the writing of a play differs from casting it.

Administration employs an even larger number of activities. The American Management Association ascribed seven functions to management, of which all but personnel are plainly administrative activities. And, of course, there are others. These are things to be done in carrying on the work of the enterprise, and they cannot be done until organization has prescribed jobs and relationships and until personnel has supplied people. That seems enough to satisfy us that organization, as a subject and as an activity, is distinct from administration. They are as different as writing a play and acting it.

This limited concept of organization has sometimes been assailed as neglecting the human element. My concept of the human element is in even worse condition than my concept of management, but, whatever it is, it has these days been personified and deified; and to neglect it is the ultimate heresy. Nevertheless, I must take the risk of saying that I regard this accusation against organization as a soft impeachment, not to say a testimony of integrity. For why should organization go adventuring beyond its own domain?

It is true that organization may touch on personnel or on administration at some points. Thus, in defining the relations among members of an enterprise, organization must express the need and duty of supervision. In doing so, however, organization is scarcely called upon to say in what manner supervision should be exercised: whether, for example, it should be urbane or peremptory. I suppose the job of doing that belongs to administration.

Or, it may be, to management.

Proximity of frontiers, however, does not make two subjects one. If it did, cost accounting would be the same as time study, and advertising the same thing as personal salesmanship.

Surely we can decide that the process of organizing human effort in an industrial enterprise is a separate branch of industrial knowledge and a distinct kind of industrial activity.

Organization vs. management.--And yet, perhaps I have still not shown that organization is a subject separate from management. Though organization emerges as a subject apart from the other objective concerns of industrial enterprise, is there some reason to think it too closely allied to management to be viewed separately?

All I can say to that is that I have never heard a reason given. The association is taken for granted; no need to explain it seems to have occurred to anyone.

If there is no apparent reason, there is, on the other hand, a cause that is plain enough when one looks at the evolution of industrial enterprise. The cause is that every function was management until it was discovered to be a separable function. In the same sense, government is just government until it is specialized as legislative, executive, and judicial.

In its beginnings, industry specialized the more obvious functions. It was easy to sort out functions such as production and sales. They were naked segments of the stream of administration. Each was a compact job that general management could delegate and supervise. And there were also some collateral jobs that plainly invited specialization: accounting, legal advice, corporate formalities.

Taylor, of course, first showed how to specialize phases of a function that previously had been regarded as single. He did so, it is true, for the production function and not for general management; but the lesson for general management was plain enough to read.

Delegation of functions such as production and sales had still left to management all the phases of administration that affected two or more of these primary functions. When enterprise grew larger, the burden of these common phases of administration grew intolerable. Under the spur of necessity, general management began to apply Taylor's lesson. This created a new type of function. This type of function ran, you might say, at right angles to the primary functions, because it affected all of them. Organization now employed a weft as well as a warp.

Thus, many of the phases of finance had to await this discovery before they were specialized. The urgency of the personnel problem had to force itself upon many managers before it was specialized. Relations with the public, with government, and with stockholders are even more recent specialties. All these functions relieved general management of phases of administration that bore upon the primary functions. It seems clear that this specialization did not so much wait upon the willingness of managers to divest themselves of duties as upon their ability to conceive of these duties as separate fields of endeavor. Some matters, such, for example, as financial analysis of operations, are still waiting to be born because they have not been identified as separable functions.

It is worth adding, too, that, having been forced to this kind of specialization because they could not do the whole job themselves, managers found that a specialist did the job better than they would have done it even if they had had the time.

Organization, as a separate function, is in this prenatal stage today. A case study three years ago by the National Industrial Conference Board found the function of organization planning in only three of 24 large companies. Perhaps we should be surprised that there are three, rather than that so many ignore it. Many managers talk glibly of the importance of organization, but their actions do not show that they regard it as a separate subject.

I think this historical descent of functions explains why organization is thought to be close to management. It is close to management only because it is close; only because, in other words, it has not been emancipated. Personnel problems were close to management before they were recognized as a function. What characteristic of organization makes it closer to management than personnel? None, I am sure, except that it is not conceived as a separate activity.

To rescue organization from its plight, then, it scarcely seems important to decide whether it is a part of management or not. If it is a part of management, it should plainly be a separate branch. Recognition as a separate branch is all that it needs. Let it reside in any community so long as it has its own house.

The price of amorphism,--For anyone who thinks all this is mere academic fussiness, let me compute the price of the present amorphous condition of organization. Where industry finds a specialty, it will specialize. It specializes in labor relations, in public relations, in industrial engineering, and in many another subject no more important than organization. Need I undertake to prove that specialization is good? I am sure there is no doubt about that. Can it be that organization is the one subject where specialization offers no advantage? That would be hard to believe.

And so what happens for the lack of specialization? Organization suffers. The common respect in which the name is held is, in large part, a respect for the name alone. Most managers practice organization by intuition, not by principle. Intuition can be as reliable here as it is in most cases. In dealing with organization, managers will fly by the seat of their pants as they will in no other industrial activity. Indeed, it concedes too much to say that they deal with organization. It would be closer to the truth to say that they have a confiding faith that organization will take care of itself. Were that not so, they would not leave so much of it to people who are specialists in many things but not in organization.

No one who watches the practice of industrial organization--or the lack of it--can believe that many managers see the extent of the problem,

I do not so much refer to the primary functions--what you might call the standard table of departments. Here the case method, if it deters an enterprise from rising above the general level, at least enables it to follow the fashion. Of course, I might suggest that since problems are not uniform among enterprises, uniformity of departments is evidence that organization is not too well served. But I will not press this point. I wish the other needs of organization were as well served.

For, ordinarily, the manager's thought of organization stops at the department boundary. Within departments, organization is commonly left to the department head. That department head has a specialty to pursue. If he has found time to master organization, he is an exception. How many specialists find time--or inclination--to become traffic or tax experts? About as many find time to become experts in organization.

No one expects the department head to be his own lawyer or to buy his own insurance or to keep his own accounts. He commonly has help in evaluating

his jobs and in setting his job standards. Often he is advised about his office methods and his office equipment. His expenditures are made by somebody else and somebody else sees that there is cash to make those expenditures. In his contacts with the public, he is guided by someone else so that his company will speak with one voice instead of many. The need of uniformity requires someone to prescribe his office hours and to regulate the vacations, holidays, and sick leave of his people. Auditors will see whether his work conforms to established practices. His stationery, forms, and supplies will be bought for him by a common purchasing agent. If he needs to travel, a traffic man will buy his transportation. This guidance and this help enable him to concentrate on his own specialty, whatever it is. Only when it comes to organization is he abandoned to the primitive ways of enterprise. Only when it comes to organization is he left to chart his own way, without compass or rudder, on an unmarked sea.

I wish this were the end of the invoice. But the larger part of the price is yet to be counted. This is the price paid for the imperfect practice of relationships. All members of an enterprise need to practice these, and few are taught to do so. Since good administration depends upon proper relationships, the lack of them leaves administration with one of its props missing.

Let us suppose an example. A State law requires insuring employees against accident and illness; and it gives the option of insuring with a State agency or with an insurance company. The insurance company will charge \$20,000 less than the State. The insurance man, whose duty is to buy insurance at the least cost, would use the insurance company. The employee relations man, however, for reasons I need not detail but which we may concede are weighty, wants to use the State fund. The question presented, of course, is whether the personnel reasons are worth \$20,000.

The issue is primarily for the insurance man. The cost of using the State fund is reasonable if the employee relations reasons are worth \$20,000. He will inquire into these reasons and make up his mind. And here is the organizational test. Will he submit to the judgment of the personnel man? Or will he form his own judgment? Will he, in other words, use his own judgment or subordinate it to another's? The process of his mind may be difficult to detect, but the principle of organization is clear. If he lets another's judgment substitute for his own, he defaults in the performance of his responsibility.

Examples, I am afraid, tend to confine, not expand, our understanding of a matter. They are exposed to being understood as definitive of the matter, instead of merely illustrative. That is the trouble with cases when they are not grounded in principle. Please do not let my little example persuade you that the play of relationships is narrow. Consider how many miscarriages of responsibility the same ignorance of principle can cause among the many members of an enterprise and over long periods of operation. Consider the other principles of which ignorance can produce a like effect. The cumulative result is serious enough to be viewed with alarm.

Application of principle insures right administration. Neglect of principle can cause wrong administration. We cannot suppose that the difference between right and wrong administration is without a serious effect upon the results of enterprise.

In brief, the price of neglect of organization is wasted effort and faulty administration. With all the unearned increments of intuition and luck, the price is still high.

The hope of organization.--I am afraid the improvement of organization rests on dead center. Neglected as a function by industrial enterprise,

literature and the schools ignore it as a subject. Ignored as a subject by literature and the schools, industrial enterprise neglects it as a function.

One who is persuaded of the importance of organization can only hope that somewhere, somehow, this deadlock will be broken. His most reasonable hope ought to rest upon the students in business schools, for they are the industrial managers of tomorrow. Were they aware of organization as an industrial factor, one could hope for the best. But how can we hope when they are encouraged to believe that it is only an episode in management? A rich variety of courses beckons them during their period of schooling. They see the spotlight on labor problems, on personnel administration, on job analysis, on office methods, on production layout, on work simplification, on many another special department of industrial knowledge. But organization is disguised as an addendum to management. In this obscurity, what reason have they to suppose that organization is worth a special thought?

These claims for organization are modest. There is no need to ask any preeminence for it. There is no need to puff it up above other subjects. All it needs is to be a subject. All it needs is to be recognized, studied, taught, and practiced as a subject. All it needs is to be allowed to come of age; to be cut loose from the apron strings of management.

My hope, in other words, is to see more written about organization as such. My hope is to see an end to the loose use of the name and the loose concept of the subject. My hope is to see someone fill that grievous gap in the encyclopedia--and, for that matter, to fill the management gap as well. My hope is to see schools teach organization--as such. When these things come, we may reasonably hope that industrial enterprise will see organization as a function.

When these things do come, industrial enterprise will be the better for them.

SOME PHASES OF ORGANIZATIONAL RESEARCH

An address at the morning meeting
of the Academy of Management
at the Columbia Club of Columbia University
December 30, 1949

By John Paver

Your invitation to address this morning's meeting of the Academy of Management brings more recognition than I probably deserve from anything I may have done in organization or management. To reinforce my own scanty authority, I am going to tell you the story of how a group of interested men pooled their knowledge of these subjects and in time, by systematic discussion, developed and increased that knowledge for the good of all who participated in the discussions. You may want to adapt the method to your own fields of activity.

About 20 years ago, some six or eight executives of corporations in New York City formed themselves into a group to study, informally, but nevertheless, quite intensively, conflicts in organization and management from their own experience as executives and in the light of the problems of the organizations which they individually served. This group became affectionately known among its members as the "Bull Penn Club," from the fact that their sessions were held in the then Hotel Pennsylvania (now the Statler). Their discussions were devoted to the exchange of thought, experience, doubts and convictions in the field of management, in general, and conflict situations in particular. The name "Bull Penn Club" still persists, though the meeting place has changed and the membership broadened.

Yet, as the years passed, the results of discussions became more revealing and the membership came to include executives having their

principal responsibilities in other areas of management, including sales, accounting, engineering, production, advertising, and the clergy. It became evident, then, that we were studying organization in its much broader sense. Consequently, in 1935, we established "Organization Research, Incorporated," as a non-profit corporation, chartered under the laws of New York, for the purpose of advancing the knowledge and practice of organization, administration and management in industry, commerce, education, churches, associations and government. Although we have not made official use of this entity, as such, we have maintained its existence against the time when we shall desire it for purposes of expansion or for the protection of material which we may publish.

Organization Research, Incorporated is of interest here only in pointing up the eventual recognition, as a research job, of the written material evolving from our first meetings, in which case discussions gave mutual assistance in solving the organization and management problems of individual members. Although, frankly, our group did not plan such a development in the beginning, we feel that such an approach, as it developed with us from very informal and often seemingly disconnected discussions, to more formal and specific research studies, has merit that might well be considered by any similar group or by any private enterprise devoting attention to ironing out wrinkles in the functioning of its organization. We did not openly recognize what we were doing as "research" when we were starting, and perhaps that is fortunate, or else we might have been too heavily scientific to the detriment of our efforts to be intensely practical. But we were actually pioneering in the art or science of human relations in organization, a study which later was introduced by associations and endowed institutions.

Much has been said and written concerning the desirability of the

members of conference groups being homogeneous. I doubt if there could be more dissimilar individuals in point of experience, field of ordinary endeavor and background of training than those who comprise our conference group. While they have the same objective, incentive and interest in examining the strengths and weaknesses of organizations and, perhaps, have in common the analytical bent - similarity ceases there. I think it is important to note that the present membership includes, for example, a retired hotel executive, a publisher of a magazine of management, several personnel directors, an accounting executive, two industrial corporation executives, a merchandise manager, two Federal Government executives and a minister of the Gospel who devotes much attention to components of church organizations.

It is to be remarked that the results of our studies are reasonably free from the prejudices and the restrictions of viewpoint that may naturally arise where the experience and characteristics of individual members are more alike.

Our group has been interested in studying the causes of problems in organization as presented by individual members and in determining how they might best be corrected.

We have given particular attention to the causes of friction within the structures of organizations. To isolate such causes seems to us to require examination into:

1. The functional relationships of the men, or units, comprising the organization, and
2. The manner in which their relations are integrated (or not integrated) as a smoothly working whole.

Let me cite a simple example:

A CASE IN CONNECTION WITH A LARGE HOTEL ORGANIZATION

(As told by the Vice President in Charge of Personnel,
Service and Front Office Operations)

I quote: One night I came into the hotel on the lower level and when stepping into an open elevator, I found that the elevator operator was asleep. Instead of awakening him, I went upstairs and told the assistant manager. The assistant manager immediately went downstairs, awakened the elevator operator and told him he was fired. Now the elevator operator was actually under the direction of the superintendent of service and the assistant manager had no authority. The result was immediate friction between the superintendent of service and the assistant manager. And quote.

This indicates a not uncommon problem - the interference on the part of one official in the duties of another.

I need not elaborate on the nature of our meetings and their form of conduct. They are "conferences" in every sense of the word. In general, they are led by a member selected for the purpose whose skill as a conference leader is known. While he is, in effect, the chairman, he is not deprived of voice in the discussion. He has the responsibility of:

1. General statement of problems.
2. Leading group analysis of the problem,
3. Developing and re-stating discussion of the problem.
4. Encouraging group proposals or suggestions for solutions of problems.
5. Validation of proposals.
6. Abstracting the principles involved in each problem.

A secretary takes notes each meeting and prepares a summary for the starting point of the next meeting. A subject may not always continue through a consecutive series of meetings; interruptions may occur when a

member brings in an acute problem for immediate discussion. As a rule, however, in discussing the main subject, numerous other allied situations are uncovered which may not have been recognized by individual members as existent in their respective organizations.

In the past we have followed programs planned to cover several months' conferences. More recently, however, the continuity of a subject over a series of meetings is dictated in large part by the nature of the case submitted for discussion, the response it engenders or the current interest it encounters.

Some of the main subjects we have discussed are:

Emotional Conflicts in Organization - Their causes and remedies

The Present Status of Management and Labor Relationships

Methods of Securing Employee Cooperation in Waste Reduction

Reorganization of the Office of a Professional Society

Moving the Assistant Manager's Desk Without His Cooperation or Consent

Should "Share the Work" be Equitably Distributed Among Employees?

Interference with Established Lines of Authority

Should Management Encourage Employees to Organize for Collective Bargaining?

The Effect of Reorganization of the Sales Department on Respective Salesmen

What to do with the Feeders in the Printing Industry Where Feeding has come Mechanized

Planned Advancement of Employees within Organizations

(A more recent subject) Why Good Men Fail to Get Ahead

As I read these subjects to you now, some of them may seem trite or perhaps shopworn, but if you will consider that they were discussed, in some cases, as much as 20 years ago, you will recognize that we were thinking well ahead of the times then.

As we pooled our experience and knowledge in examining cases and problems related to these subjects, we found ourselves agreed on certain basic principles inherent in each, which we have defined and written down for continued use - our "nuggets". They may be as interesting to you as they have been interesting and useful to us in gauging and attacking our everyday problems.

Here are some of them:

NUGGETS

The energy we put into our jobs is high or low in proportion to our feeling of authorship.

There is a positive joy in creative workmanship.

Autocratic methods at the head of an organization tend to repeat themselves all down the line.

In making organization changes, it is essential to keep the established group spirit intact.

Crossing lines of responsibility awakens resistance in subordinates.

Subordinates tend to accept the wishes of their superiors without question.

It is an essential of good management to get out in the ranks and show interest in work and problems.

Active participation and personal interest on the part of those who are to carry out a program are essential to its success. No amount or kind of written material, when prepared at higher management levels, can alone enlist real participation and interest at lower levels.

More recently, at our meeting on December 12, our magazine publisher member laid before us the subject "Union in Management." This is one of the new problems facing organization leaders. It is a tough one in human relationships and has many facets. We are finding it a challenging subject.

I shall close by saying that our group enjoys itself, and that our hobby pays off. Every member has a frank and critical testing ground for

his new ideas, and a sympathetic board of advisors to help in his current problems. Most of our members have found practical benefit as well as general enlightenment; and many of them, advancing to higher positions, have given our Bull Penn part of the credit.

In our success I hope you may see an idea that will help you.

BULL PENN NUGGETS

GROUP I

The energy we put into our job will be high according to the feeling of our own authorship or vice-versa.

There is a positive joy in creative workmanship.

Autocratic methods at the head of an organization tend to repeat themselves all along the line making a consultative process difficult if not impossible without a thoroughgoing change in organization paralleled by a broad program of self education.

The dynamic participation of those who are to carry out a program must be enlisted in working it out and applying it. They must feel it to be their own.

Personal conflicts have deep seated and unconscious emotional causes. They can only be objectified by use of special psychological techniques.

Human inertia is a given factor in any social situation.

GROUP II

One's attitude toward a situation is influenced by the possibility of one's status going up or down as a result of any change in that situation.

When organization changes are to be made it is vitally necessary to keep the group spirit at least intact and if possible augment it.

Crossing lines of responsibility is apt to awaken resistance in subordinates (of any rank) whose status and prestige is thus affected by what they consider an invasion of local managerial rights.

Every administrative situation has psychic as well as practical (technical, structural) components. When making changes in organizational structure it is necessary that a campaign of acceptance be carried on to insure working of the new plan.

When organization changes are to be made it is vitally necessary to keep the group spirit at least intact and if possible augment it.

When adjusting conflict situations involving loss of prestige or questioned authority, it becomes necessary to find a solution that will allow both parties to feel their essential dignity has been preserved.

GROUP III

In a hierarchical line of functions (line control) the attitude and behavior of subordinates are sharply conditioned by the attitude of the immediate superior.

GROUP III (Continued)

Subordinates tend to accept the wishes of superiors without question.

It is an essential of good management to get out in the ranks and show an interest in work and problems. However this should not interfere with instructions and orders coming through regular managerial channels.

GROUP IV

In job relations with women the probability of their possessing a marked degree of inferiority feeling must be considered.

The historically inferior economic status of women results in a timidity in tackling new techniques and is apt to result in protests against the sex prejudices of men.

GROUP V

Outside investigators and engineers should not be brought into a business organization before the staff itself has utilized all its own resources in trying to handle the problem.

When and if such outside specialists are brought into an organization for research or reorganization, somebody or better, a group from the organization itself should be an organic part of research.

Advancing an organization from a personally controlled and personally motivated basis to a socially controlled and socially motivated basis necessitates a complete objectification of all methods, standards and procedures as well as the setting up of objective social methods of adjusting the functionally important personal relations. (By use of committees and conferences.)

In reorganization, every step in the modernization program should be checked for possible losses due to interference with the creative and constructive impulses as well as the cross fertilization of thought in the personnel of the organization.

In a program of standardization above all try to conserve the values that have come in the past from the special character of some process and give recognition to traditions that have a special psychological importance.

For psychological reasons, before bringing a new executive into an organization those in charge should see:

- A. That there is actually a job to be performed.
- B. That there is an agreement reached among those to be functionally related to the new executive that there is a job to be done and an accurate picture of it obtained.
- C. Get agreement that there is no one in the organization fitted for it or who could acquire fitness for it.

GROUP V (Continued)

Organizations are psychological and not mechanical entities and motivation or willing participation is fundamental.

Type of product and process are closely related to type of organization. Specialty and quality manufacture will not admit of the same degree of standardization as standard and mechanical manufacture.

Order giving is only one way of getting results in an organization. Psychology teaches us that it must be used with care and understanding.

Different functional levels are motivated differently toward the same problem.

Bringing in outsiders into an established organization structure disturbs an already established emotional web. Those who had an eye on the job he is given will in all probability be prejudiced against him.

GROUP VI

Printed material no matter how complete, will not be accepted, understood or appreciated by subordinates as a basis for an action program when worked out on higher management levels.

GROUP VII

Top levels of administration tend to be non-experimental, to think in general terms and avoid detail. Bottom levels deal largely in detail, must be experimental and think concretely. A two-way process must work both these ends simultaneously to see that the thinking and feeling is reciprocal.

Prestige and authority of executives tends to make them assume an intimate knowledge of the field they do not possess.

GROUP VIII

Success of a project in one location does not necessarily imply success in another. Opportunity must be left for local difference, the human factor is not standard.

In a large holding company having many subsidiaries, it is important to test out a new plan in one operating company first before applying it to all.

